



# ACMAsphere

## Invasion of the iPods

### Demand for content and the impact on the structure of the communications industry

**Sometimes apparently simple ideas and products have the greatest appeal, ultimately becoming catalysts for major industry and regulatory change.**

Take the popular iPod, for example. According to iPod maker, Apple, 6.5 million of the devices were sold worldwide in the three months to 30 September 2005 and Apple has sold more than 28 million since their introduction in 2001. That's a lot of iPods and a lot of people reliant on downloading their chosen music from the internet. The demand for online music has exploded to the point that it now has the potential to reshape the business model of the retail music sector entirely.

But the retail industry is not the only one facing significant change as a result of the world's

love affair with the iPod. The Australian Bureau of Statistics reports of major increases in the amount of data downloaded by internet subscribers in Australia, is witness to an increasing demand for broadband.

In response to the growing demand, telecommunications industry participants have announced a range of broadband infrastructure rollouts that will increase broadband availability and capacity in Australia. While Telstra is clearly a major broadband network provider, much of the infrastructure is being installed by internet

service providers (ISPs), some of which were formerly resellers of Telstra services.

Many ISPs are also partnering with second tier or newly licensed telecommunications carriers as part of their evolution from resellers to infrastructure owners. This trend suggests that the traditional distinction between the ownership of telecommunications networks and reselling of telecommunications services—reflected in the regulatory categories of carrier and carriage service provider—is becoming increasingly blurred. As a result, the structure of the telecommunications industry is becoming more complex and multilayered.



#### NEW MARKET ENTRANTS

Coinciding with the Australian consumers' new thirst for more bandwidth, the Australian Government has assisted with the increase in availability of broadband services.

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## MELBOURNE COMPANY FINED for RADIO BREACH

**A Melbourne company, Street Nation Pty Ltd, has been fined more than \$16,000 after being found guilty in the Melbourne Magistrate's Court on charges under the Radiocommunications Act 1992.**

The case, brought by ACMA, involved the operation by Street Nation of a low power open narrowcasting (LPON) service from 101 Collins Street, in the Melbourne CBD. Other LPON

operators complained during 2003 that the service was interfering with their coverage areas.

Field strength measurements at various locations found that Street Nation had exceeded the allowable transmitted field strength at distances greater than two kilometres from their transmitter.

ACMA decided to prosecute Street Nation when the offences continued despite several written warnings and a penalty in lieu being issued.

The court found all three charges proven and imposed a fine of \$4,000

on each charge. Costs totalling \$4,399 were also awarded against Street Nation.

Magistrate Lisa Hannan said the penalty was a deterrent and that licence conditions were imposed to enable equitable access and use of the radio spectrum for the whole community.

Low power open narrowcasting services provide niche FM radio services with limited reception. Programs include racing and tourist information, ethnic broadcasting, information services, musical and religious programming.